

BEAVER COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County, a governmental fund, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of Beaver County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Milford Area Health Care Service District #3 and Waste Management Service District #5, which represents 100 percent and 100 percent, respectively, of the assets and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Milford Area Health Care Service District #3 and Waste Management Service District #5, are based on the report of the other auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Beaver County at December 31, 2014, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, condition assessment of the County's infrastructure and budgetary comparison information on pages 6 through 14, 52 and 53 through 57, respectively, be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of Beaver County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beaver County's internal control over financial reporting and compliance.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

June 26, 2015
Richfield, Utah

BEAVER COUNTY MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Beaver County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2014. This report is in conjunction with the County's financial statements.

All amounts, unless otherwise indicated, are expressed in thousands of dollars.

The purpose of the County is to provide general services to its residents that includes general government, public safety, public health, highways and public improvements, parks and recreation, economic development, and culture and recreation.

Financial Highlights

- * The assets of Beaver County exceeded its liabilities as of the close of the most recent year by \$26,106 (*net position*). Of this amount, \$4,067 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The revenues of the General Fund were more than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts.
- * At the close of the current year, the Beaver County governmental funds reported combined ending fund balances of \$9,119. Approximately 40 percent of this total amount, \$3,643 is available for spending at the government's discretion (unassigned fund balance).
- * At the end of the current year, unassigned fund balance for the General Fund was \$3,643, or 34 percent of total General Fund expenditures.
- * Beaver County's total debt decreased by a net amount of \$4,240 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Beaver County's basic financial statements. Beaver County's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Beaver County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of Beaver County's position and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Beaver County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Beaver County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Beaver County include general government, public safety, public health, highways and public improvements, parks and recreation, economic development, and culture and recreation.

The government-wide financial statements include not only Beaver County itself (known as the primary government), but also two legally separate special service districts; one for hospital services, and one for solid waste, for which Beaver County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beaver County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaver County can be divided into three categories, governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Beaver County maintains eleven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Class B Road, and Debt Service Funds, all of which are considered to be major funds.

Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Beaver County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Beaver County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Beaver County.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Beaver County, assets exceeded liabilities by \$26,106 at the close of the most recent fiscal year.

By far the largest portion of Beaver County's net position reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Beaver County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Beaver County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities:

Beaver County's Net Position

	<u>2014</u>	<u>2013</u>
Current and Other Assets	9,744	12,239
Capital Assets	<u>25,166</u>	<u>25,255</u>
Total Assets	<u>34,910</u>	<u>37,494</u>
Current Liabilities	800	1,710
Long-Term Liabilities	<u>8,004</u>	<u>11,798</u>
Total Liabilities	<u>8,804</u>	<u>13,508</u>
Net Position:		
Net Investment in Capital Assets	16,918	13,027
Restricted	5,121	7,348
Unrestricted	<u>4,067</u>	<u>3,611</u>
Total Net Position	<u>26,106</u>	<u>23,986</u>

A portion of Beaver County's net position (16 percent) represents resources that are subject to external restrictions on how they may be used. At year end Beaver County is able to report positive balances in all categories.

Governmental activities increased Beaver County's net position by \$2,120. Key elements of this increase are as follows:

Beaver County's Changes in Net Position

	2014	2013
Revenues:		
Program Revenues:		
Charges For Services	8,870	8,754
Operating Grants and Contributions	2,307	1,420
Capital Grants	-	-
General Revenues:		
Property Taxes	2,640	2,149
Other Taxes	774	703
Grants and Contributions Not		
Restricted to Specific Programs	1,151	1,070
Unrestricted Investment Earnings	31	44
Other	129	(289)
Total Revenues	15,902	13,851
Expenses:		
General Government	2,115	1,936
Public Safety	8,301	7,861
Public Health	410	338
Highways and Public Improvements	1,444	1,265
Parks and Recreation	220	182
Economic Development	575	522
Culture and Recreation	89	100
Interest on Long-Term Debt	628	467
Total Expenses	13,782	12,671
Increase in Net Position	2,120	1,180
Net Position - Beginning	23,986	22,806
Net Position - End	26,106	23,986

Financial Analysis of the Government's Funds

As noted earlier, Beaver County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Beaver County's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Beaver County's financing requirements. In particular *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Beaver County's governmental funds reported combined ending fund balances of \$9,119, a decrease of \$1,685 in comparison with the prior year. Approximately 40 percent of this amount, \$3,643, is *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been restricted for: 1) Highways and Public Improvements, \$1,981; 2) Debt Service, \$2,439; 3) Economic Development, \$491; 4) Public Safety, \$72; and 5) Recreation, \$138. Funds were also committed for: 1) Public Health, \$55; and 2) Economic Development, \$18; 3) Capital Outlay \$25; 4) and Public Safety \$256.

The General Fund is the chief operating fund of Beaver County. At the end of the current year, unassigned fund balance of the General Fund was \$3,643. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represents 34 percent of total General Fund expenditures.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

Revenues:

* No changes in budgeted revenues.

Expenditures:

* No changes in budgeted expenditures.

During the year actual revenues were more than budgeted revenues by \$565, and actual expenditures were less than budgeted expenditures by \$344 resulting in a net increase in fund balance of \$909.

Capital Asset and Debt Administration

Capital Assets

Beaver County's investment in capital assets for its governmental activities as of December 31, 2014 was \$25,166 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads, highways and bridges. The total additions in Beaver County's investment in capital assets for the current year was \$753. Major capital asset events during the current year include the following:

* Investments in buildings \$510; equipment and automobiles, \$243.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

Beaver County's Capital Assets
(net of depreciation)

	<u>2014</u>	<u>2013</u>
Land	264	264
Rights of Way	286	286
Infrastructure	8,587	8,587
Buildings	14,802	14,704
Equipment	1,179	1,361
Improvements	<u>48</u>	<u>53</u>
Total	<u>25,166</u>	<u>25,255</u>

Additional information on Beaver county's capital assets can be found in the notes to the financial statements.

Long-Term Debt

At the end of the current year, Beaver County had total bonded debt outstanding of \$8,255. The debt is represented by the following:

Beaver County's Outstanding Debt

	<u>2014</u>	<u>2013</u>
General Obligation Bonds	1,140	4,967
Revenue Bonds	6,799	7,171
Special Assessment Bonds	<u>316</u>	<u>357</u>
Total	<u>8,255</u>	<u>12,495</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Beaver County is approximately \$27,486. Beaver County has general obligation debt of \$1,140 as of December 31, 2014.

Additional information on Beaver County's long-term debt can be found in the notes of the financial statements.

Economic Factors and Next Year's Budgets and Rates

- * The unemployment rate for Beaver County is 3.5 percent which is a decrease from a rate of 3.6 percent a year ago. This is slightly lower than the State's average unemployment rate of 3.4 percent. The national unemployment rate for the same period was 5.7 percent.

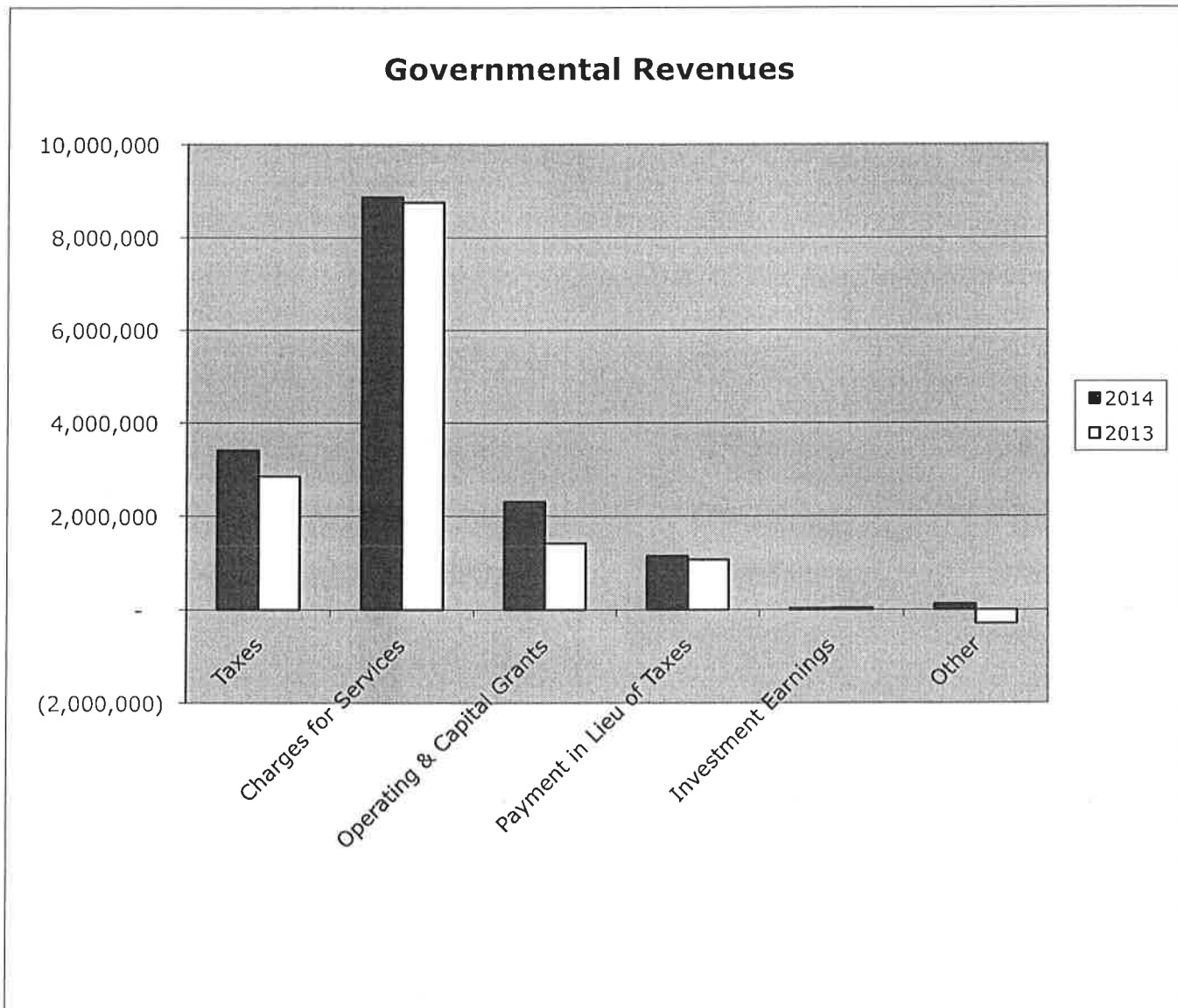
These factors were considered in preparing Beaver County's budget for the 2015 year.

Request for Information

This financial report is designed to provide a general overview of Beaver County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Beaver County Clerk/Auditor, P. O. Box 392, Beaver, Utah, 84713.

**Beaver County
Governmental Revenues
For The Years Ending December 31, 2014 and 2013**

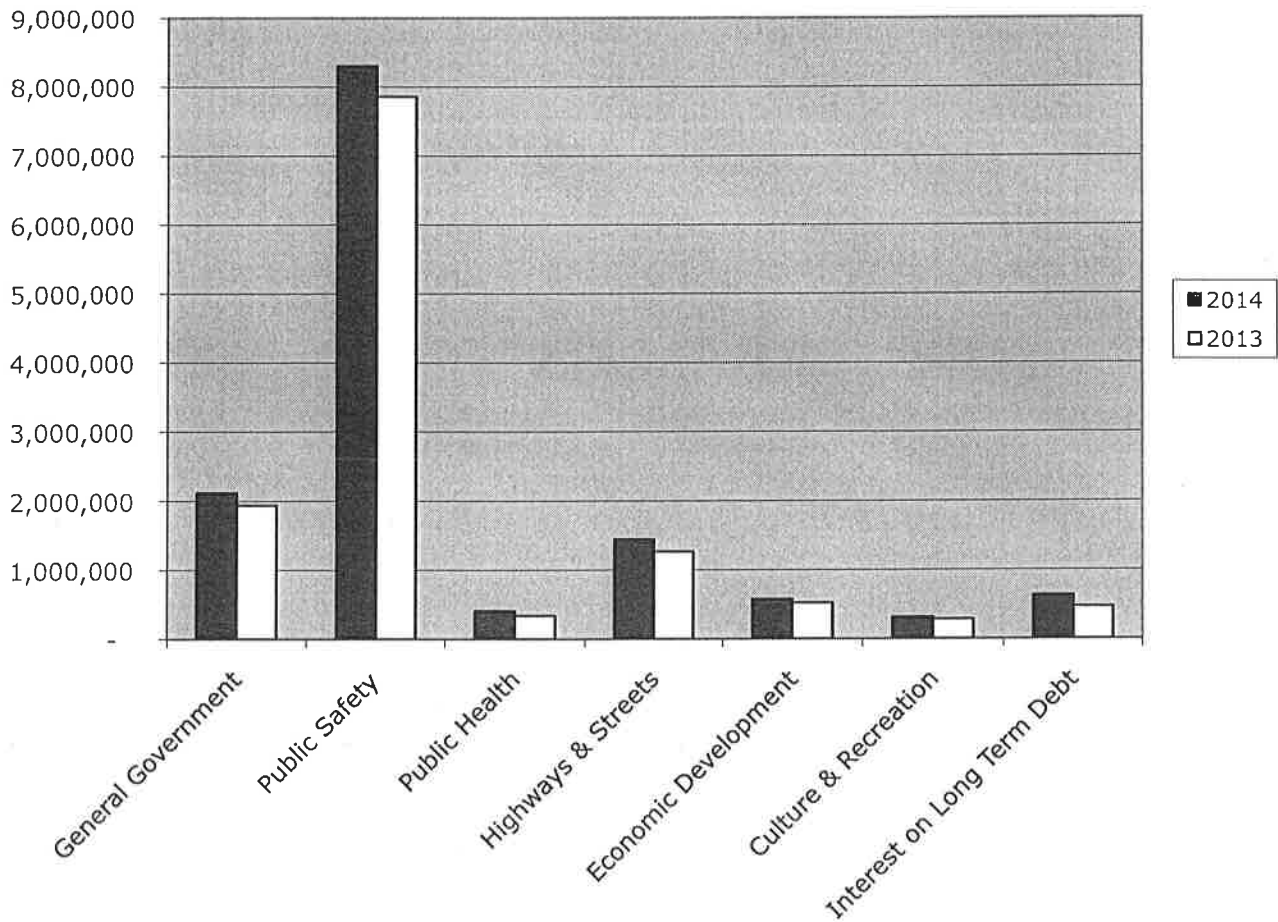
	2014	2013
Taxes	3,413,412	2,851,747
Charges for Services	8,870,346	8,753,749
Operating & Capital Grants	2,307,385	1,419,751
Payment in Lieu of Taxes	1,151,388	1,070,182
Investment Earnings	31,318	43,804
Other	128,660	(288,718)
Total Revenues	<u>15,902,509</u>	<u>13,850,515</u>



**Beaver County
Governmental Expenditures
For The Years Ending December 31, 2014 and 2013**

	2014	2013
General Government	2,114,821	1,935,602
Public Safety	8,300,922	7,860,781
Public Health	409,897	338,241
Highways & Streets	1,444,545	1,264,974
Economic Development	574,799	521,504
Culture & Recreation	309,295	282,521
Interest on Long Term Debt	628,576	467,081
Total Expenditures	<u>13,782,855</u>	<u>12,670,704</u>

Governmental Expenditures



(This page contains no information and
is used to assist in formatting for easier reading)

BASIC FINANCIAL STATEMENTS

BEAVER COUNTY
STATEMENT OF NET POSITION
December 31, 2014

	Primary Government Governmental Activities	Component Units
ASSETS		
Current Assets:		
Cash and Investments	3,270,526	1,592,388
Accounts Receivable (Net)	19,585	98,046
Special Assessments Receivable	50,000	-
Property Taxes Receivable	-	637,935
Due From Other Government Units	1,032,698	29,281
Prepaid Expenses	-	1,945
Total Current Assets	<u>4,372,809</u>	<u>2,359,595</u>
Noncurrent Assets:		
Restricted Cash and Investments	5,121,470	756,195
Special Assessments Receivable	250,000	-
Capital Assets (Net of Accumulated Depreciation)	<u>25,165,591</u>	<u>9,002,854</u>
Total Noncurrent Assets	<u>30,537,061</u>	<u>9,759,049</u>
TOTAL ASSETS	<u><u>34,909,870</u></u>	<u><u>12,118,644</u></u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	324,875	107,960
Bond Interest Payable	26,720	-
G. O. Bond Payable	22,000	184,000
Revenue Bonds Payable	100,000	-
Lease Revenue Bonds Payable	284,000	14,000
Special Assessment Bonds Payable	<u>42,000</u>	<u>-</u>
Total Current Liabilities	<u>799,595</u>	<u>305,960</u>
Noncurrent Liabilities:		
Lease Revenue Bonds Payable	-	370,000
G. O. Bond Payable	1,118,000	6,985,000
Revenue Bonds Payable	6,414,828	-
Special Assessment Bonds Payable	274,000	-
Closure and Postclosure Costs	-	548,107
Compensated Absences	<u>197,759</u>	<u>-</u>
Total Noncurrent Liabilities	<u>8,004,587</u>	<u>7,903,107</u>
TOTAL LIABILITIES	<u>8,804,182</u>	<u>8,209,067</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned Revenue - Property Taxes	<u>-</u>	<u>637,935</u>
NET POSITION		
Net Investment in Capital Assets	16,917,157	1,449,854
Restricted For:		
Class B Roads	1,980,793	-
Economic Development	491,456	-
Public Safety	71,798	-
Culture and Recreation	138,229	-
Debt Service	2,439,194	6,726
Landfill Postclosure	-	749,469
Unrestricted	<u>4,067,061</u>	<u>1,065,593</u>
TOTAL NET POSITION	<u>26,105,688</u>	<u>3,271,642</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>34,909,870</u></u>	<u><u>12,118,644</u></u>

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2014

Function/Programs Primary Government:	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities:					Primary Governmental Activities
General Government	2,114,821	1,525,732	131,450	-	(457,639)
Public Safety	8,300,922	7,277,086	120,983	-	(902,853)
Public Health	409,897	-	163,004	-	(246,893)
Highways and Public Improvements	1,444,545	14,987	1,801,948	-	372,390
Parks and Recreation	219,708	-	-	-	(219,708)
Economic Development	574,799	-	90,000	-	(484,799)
Culture and Recreation	89,587	52,541	-	-	(37,046)
Interest on Long-Term Debt	628,576	-	-	-	(628,576)
Total Primary Government	13,782,855	8,870,346	2,307,385	-	(2,605,124)
Component Units:					
Hospital District #3	660,519	-	-	-	(660,519)
Service District #5	646,866	555,537	95,713	-	4,384
Total Component Units	1,307,385	555,537	95,713	-	(656,135)
General Revenues:					
Property Taxes					2,639,439
Fee-In-Lieu of Property Taxes					51,922
Sales Taxes					462,480
Transient Room Tax					221,246
Restaurant Tax					38,325
Grants and Contributions Not Restricted to Specific Programs					1,151,388
Unrestricted Investment Earnings					31,318
Other Income					254,756
Loss on Disposition of Capital Assets					(126,096)
Total General Revenues					4,724,778
Change in Net Position					2,119,654
Net Position - Beginning					23,986,034
Net Position - Ending					26,105,688

The notes to the financial statements are an integral part of this statement.

**BEAVER COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014**

	General Fund	Class B Roads	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	3,168,871	1,825,196	1,849,962	1,547,967	8,391,996
Accounts Receivable	19,585	-	-	-	19,585
Special Assessments Receivable	-	-	300,000	-	300,000
Due From Other Government Units	779,784	155,597	78,977	18,340	1,032,698
TOTAL ASSETS	3,968,240	1,980,793	2,228,939	1,566,307	9,744,279
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	324,875	-	-	-	324,875
Unearned Revenue	-	-	300,000	-	300,000
Total Liabilities	324,875	-	300,000	-	624,875
Fund Balances:					
Restricted For:					
Class B Roads	-	1,980,793	-	-	1,980,793
Economic Development	-	-	-	491,456	491,456
Culture and Recreation	-	-	-	138,229	138,229
Public Safety	-	-	-	71,798	71,798
Debt Service	-	-	1,928,939	510,255	2,439,194
Committed For:					
Public Health	-	-	-	55,345	55,345
Public Safety	-	-	-	255,994	255,994
Capital Outlay	-	-	-	25,000	25,000
Economic Development	-	-	-	18,230	18,230
Unassigned:					
General Fund	3,643,365	-	-	-	3,643,365
Total Fund Balance	3,643,365	1,980,793	1,928,939	1,566,307	9,119,404
TOTAL LIABILITIES AND FUND BALANCE	3,968,240	1,980,793	2,228,939	1,566,307	9,744,279

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET POSITION
December 31, 2014

Total Fund Balances - Governmental Fund Types	9,119,404
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	263,660
Right of Way	286,330
Paved Roads	8,587,420
Buildings	14,801,527
Equipment	1,178,727
Improvements	<u>47,927</u>

Total - Net of Depreciation	25,165,591
-----------------------------	------------

Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Lease Revenue Bonds	(5,760,622)
General Obligation Bonds	(1,140,000)
Special Assessment Bonds	(316,000)
Excise Tax Bonds	(1,038,206)
Compensated Absences	(197,759)
Bond Interest Payable	<u>(26,720)</u>

Total	(8,479,307)
-------	-------------

Other long-term liabilities, deferred revenue, not included in government-wide financial statements on the accrual basis.

300,000

Net Position of Government Activities

26,105,688

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2014

	General Fund	Class B Roads	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	2,952,562	-	-	501,661	3,454,223
Licenses and Permits	159,894	-	-	-	159,894
Intergovernmental	1,101,271	1,551,948	-	-	2,653,219
Charges for Services	6,551,420	-	858,487	-	7,409,907
Fines and Forfeitures	674,102	-	-	-	674,102
Interest	30,970	-	348	-	31,318
Miscellaneous	286,789	264,987	50,000	616,199	1,217,975
Total Revenues	<u>11,757,008</u>	<u>1,816,935</u>	<u>908,835</u>	<u>1,117,860</u>	<u>15,600,638</u>
Expenditures:					
Current:					
General Government	2,040,041	-	-	-	2,040,041
Public Safety	7,696,291	-	-	47,953	7,744,244
Public Health	329,898	-	-	79,180	409,078
Highways/Public Improvements	-	1,357,126	-	-	1,357,126
Parks and Recreation	216,011	-	-	-	216,011
Economic Development	353,798	-	-	221,001	574,799
Culture and Recreation	-	-	-	89,587	89,587
Capital Outlay	202,909	39,992	-	-	242,901
Debt Service:					
Principal	-	-	3,966,000	274,000	4,240,000
Interest	-	-	160,874	211,212	372,086
Total Expenditures	<u>10,838,948</u>	<u>1,397,118</u>	<u>4,126,874</u>	<u>922,933</u>	<u>17,285,873</u>
Excess Revenue Over (Under)					
Expenditures	<u>918,060</u>	<u>419,817</u>	<u>(3,218,039)</u>	<u>194,927</u>	<u>(1,685,235)</u>
Other Financing Sources (Uses):					
Transfers In	15,750	-	115,050	(20,750)	110,050
Transfers Out	<u>(25,000)</u>	<u>(85,050)</u>	<u>-</u>	<u>-</u>	<u>(110,050)</u>
Total Other Financing	<u>(9,250)</u>	<u>(85,050)</u>	<u>115,050</u>	<u>(20,750)</u>	<u>-</u>
Net Change In Fund Balance	908,810	334,767	(3,102,989)	174,177	(1,685,235)
Fund Balance - Beginning	<u>2,734,555</u>	<u>1,646,026</u>	<u>5,031,928</u>	<u>1,392,130</u>	<u>10,804,639</u>
Fund Balance - Ending	<u><u>3,643,365</u></u>	<u><u>1,980,793</u></u>	<u><u>1,928,939</u></u>	<u><u>1,566,307</u></u>	<u><u>9,119,404</u></u>

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	(1,685,235)
---	-------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays	752,901	
Disposition of Capital Assets	(158,129)	
Depreciation Expense	<u>(684,163)</u>	
Total		(89,391)

Revenues in the funds on a cash basis are not revenues in the Statement of Activities which is on the accrual basis

Special Assessment Receipts	(50,000)
-----------------------------	----------

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Payment of Long-Term Debt	4,240,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in Compensated Absences	(39,230)	
Amortization of Deferred Debits	(294,464)	
Amortization of Deferred Credits	27,792	
Decrease in Accrued Interest Payable	<u>10,182</u>	
Total		<u>(295,720)</u>

Changes In Net Position of Governmental Activities	<u><u>2,119,654</u></u>
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The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
December 31, 2014

ASSETS:

Cash Invested	<u>1,021,441</u>
TOTAL ASSETS	<u><u>1,021,441</u></u>

LIABILITIES:

Collections Payable	266,548
Due to Taxing Units	<u>754,893</u>
TOTAL LIABILITIES	<u><u>1,021,441</u></u>

The notes to the financial statements are an integral part of this statement.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Beaver County (County) have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The basic accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2014.

A. Reporting Entity:

For financial reporting purposes, Beaver County has included all funds. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the County.

As required by generally accepted accounting principles, these basic financial statements present Beaver County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Beaver County Auditor's office.

Discrete Component Units:

These component units are entities which are legally separate from the County, but are financially accountable to the County or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the District. Each of these districts was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component units column of the combined financial statements include the financial data of the following entities:

- * Milford Area Health Care Service District #3 (Governmental Fund Type) - The District was established by resolution of the Board of County Commissioners of Beaver County on October 4, 1982, pursuant to State law, to provide hospital services to the territory which includes the municipalities of Milford City and Minersville Town. The District was audited by other independent auditors, and their report, dated March 20, 2015, has been previously issued under separate cover. A copy of the report can be obtained at the Beaver County Auditor's Office in Beaver, Utah.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- * Waste Management Service District #5 (Proprietary Fund Type) - The District was created by the adoption of a resolution to establish a special service district by the Beaver County Commission, pursuant to State law, to provide solid waste sanitation disposal services to the communities within the District. The District was audited by other independent auditors, and their report, dated June 26, 2015, has been previously issued under separate cover. A copy of the report can be obtained at the office of the Beaver County Auditor in Beaver, Utah.

Blended Component Unit:

The County established by resolution a building authority for the purpose of, but not limited to, acquiring, leasing, constructing, furnishing, maintaining or operating a jail building and related facilities, and to acquire or lease land required for or related to these purposes. The governing board of the building authority is the County Commission. The building authority is accounted for in a special revenue fund.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Beaver County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Class B Road Fund receives funding from the State Department of Transportation to be expended on eligible Class B Roads in the County.

The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The Government also reports the following Other Governmental Funds:

Restaurant Tax, Tusher Camp Ground, Transient Room Tax, Library, Public Health, E-911, Municipal Building Authority and Capital Projects. These funds account for revenue sources that are restricted to expenditures for specific purposes.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally the Government reports the following fund type:

The Treasurer's Tax Collection Agency Fund is used to account for taxes collected by the County Treasurer for the taxing entities within the County.

The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Deposits and Investments:

The government's deposits and investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	40 Years
Improvements Other Than Buildings	20 Years
Equipment	5 - 10 Years

Compensated Absences:

It is the County's policy to permit employees to accumulate earned but unused vacation and comp time benefits. All vacation pay is accrued when incurred in the government-wide financial statements.

Long-Term Obligations:

In the government-wide financial statements governmental long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications:

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance classification are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed, that are intended to be used for specific purposes.

Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Property Taxes:

Property taxes are assessed and collected for the County by Beaver County and remitted to the County shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable November 1, and are delinquent after November 30. All dates are in the year of levy.

G. Date of Subsequent Event Evaluation:

Beaver County's subsequent events have been evaluated through the day of the financial statement issuance of June 26, 2015.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Commissioners, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

NOTE 2 - CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Investments".

Deposits:

At December 31, 2014, the carrying amount of the County's deposits for the primary government was \$2,758,346 and the bank balances were \$2,971,428. Of the bank balance, \$500,000 was covered by federal depository insurance.

At December 31, 2014, the carrying amount of the component units was \$991,529 and the bank balances were \$994,967. Of the bank balance, \$500,000 was covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Primary Government:

Cash and investments as of December 31, 2014, consist of the following:

	<u>Fair Value</u>
Demand Deposits	2,758,346
Investments - PTIF	<u>6,655,091</u>
Total Cash and Investments	<u><u>9,413,437</u></u>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Governmental Activities - Unrestricted	3,270,526
Governmental Activities - Restricted	<u>5,121,470</u>
Total Governmental Activities	8,391,996
Fiduciary Fund	<u>1,021,441</u>
Total Cash and Investments	<u><u>9,413,437</u></u>

Component Units:

Cash and investments as of December 31, 2014, consist of the following:

	<u>Fair Value</u>
Cash On Hand	44,023
Demand Deposits	991,529
Investments - PTIF	<u>1,313,031</u>
Total Cash and Investments	<u><u>2,348,583</u></u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Governmental Activities - Unrestricted	924,822
Governmental Activities - Restricted	6,726
Business Activities - Unrestricted	667,566
Business Activities - Restricted	<u>749,469</u>
Total Cash and Investments	<u><u>2,348,583</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk:

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2014, \$2,471,428 of the local government's bank balances of \$2,971,428 were uninsured and uncollateralized.

Credit Risk:

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2014, the local governments has investments of \$6,655,091 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - DUE TO TAXING UNITS - AGENCY FUND

Beaver County assesses and collects taxes for the taxing units of the County. The County remits such monies to the taxing units according to the tax rates set by each taxing unit. The amount of \$754,893 represents monies collected by the County Treasurer in 2014 and dispersed to the taxing units in 2015.

NOTE 4 - SPECIAL ASSESSMENT RECEIVABLE

The County has created a special assessment district with Circle 4 Farms for the repayment of money expended for road projects for the benefit of Circle 4 Farms. The terms of the agreement require Circle 4 Farms to make an annual payments of \$50,000 to the County. The project was funded by a loan from the Community Impact Board of \$775,000 which requires payments over 20 years with interest at 2.5%. The County will make the debt service payment to CIB and Circle 4 Farms will reimburse the County for the amount of the debt service payment.

The following is a summary of required payments to the County:

	<u>Principal</u>			
2015	50,000			
2016	50,000			
2017	50,000			
2018	50,000			
2019	50,000			
2020	<u>50,000</u>			
Total	<u>300,000</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Special Assessment Receivable - Circle 4 Farms	<u>350,000</u>	<u>-</u>	<u>50,000</u>	<u>300,000</u>

NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS

The receivable from other governmental units are as follows:

<u>Agency</u>	<u>Amount</u>
Class B Roads	155,597
Governmental Agencies	<u>877,101</u>
Total Receivable	<u>1,032,698</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2014, was as follows:

Primary Government:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	263,660	-	-	263,660
Rights of Way	286,330	-	-	286,330
Infrastructure	8,587,420	-	-	8,587,420
 Total Capital Assets Not Being Depreciated	 9,137,410	 -	 -	 9,137,410
Capital Assets Being Depreciated:				
Buildings	20,647,854	510,000	-	21,157,854
Improvements Other Than Buildings	120,192	-	-	120,192
Equipment	4,375,737	242,901	298,774	4,319,864
 Total Capital Assets Being Depreciated	 25,143,783	 752,901	 298,774	 25,597,910
Less Accumulated Depreciation For:				
Buildings	5,943,761	412,566	-	6,356,327
Improvements Other Than Buildings	66,930	5,335	-	72,265
Equipment	3,015,520	266,262	140,645	3,141,137
 Total Accumulated Depreciation	 9,026,211	 684,163	 140,645	 9,569,729
 Total Capital Assets Being Depreciated (Net)	 16,117,572	 68,738	 158,129	 16,028,181
 Governmental Activities Capital Assets, Net	 25,254,982	 68,738	 158,129	 25,165,591

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>
General Government	35,550
Public Safety	556,678
Public Health	819
Highways and Public Improvements	87,419
Parks and Recreation	<u>3,697</u>
Total Depreciation Expense	<u><u>684,163</u></u>

Component Units:

Statement of Changes in Capital Assets (Component Units) as of December 31, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	<u>84,343</u>	<u>-</u>	<u>-</u>	<u>84,343</u>
Total Capital Assets Not Being Depreciated	<u>84,343</u>	<u>-</u>	<u>-</u>	<u>84,343</u>
Capital Assets Being Depreciated:				
Buildings	9,883,732	170,716	-	10,054,448
Equipment	<u>462,381</u>	<u>136,670</u>	<u>76,070</u>	<u>522,981</u>
Total Capital Assets Being Depreciated	10,346,113	307,386	76,070	10,577,429
Less Accumulated Depreciation	<u>(1,730,499)</u>	<u>(355,878)</u>	<u>(76,070)</u>	<u>(2,010,307)</u>
Total Capital Assets Being Depreciated (Net)	<u>8,615,614</u>	<u>(48,492)</u>	<u>-</u>	<u>8,567,122</u>
Governmental Activities Capital Assets, Net	<u>8,699,957</u>	<u>(48,492)</u>	<u>-</u>	<u>8,651,465</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	18,163	-	-	18,163
Total Capital Assets Not Being Depreciated	18,163	-	-	18,163
Capital Assets Being Depreciated:				
Buildings	96,528	-	-	96,528
Improvements Other Than Buildings	219,693	-	-	219,693
Equipment	857,420	-	-	857,420
Total Capital Assets Being Depreciated	1,173,641	-	-	1,173,641
Less Accumulated Depreciation	(788,696)	(51,719)	-	(840,415)
Total Capital Assets Being Depreciated (Net)	384,945	(51,719)	-	333,226
Business-Type Activities Capital Assets, Net	351,325	(51,719)	-	351,389
Total - Component Units	9,051,282	(100,211)	-	9,002,854

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT

Primary Government:

Sick Leave:

Employees are allowed 12 days of sick leave each year at one day per month. Sick leave may be accumulated up to 60 days. At year end, any accumulated sick leave in excess of 60 days will be paid at 50% of the employee's daily rate.

Compensated Absences:

The amount of compensated absences at year end was \$197,759. This has been calculated from accrued compensatory time.

	Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014
Compensated Absences	158,529	39,230	-	197,759

Public Safety Building:

During 1997 the County obtained sufficient funding for the construction of a public safety building which includes a jail, related law enforcement offices and state courts. Construction began in 1997 and has been completed. The long-term funding for the construction was as follows:

Agency	Amount
CIB General Obligation Bonds - Series 1997A	1,400,000
General Obligation Bonds - Series 1997B	5,100,000
Community Impact Board Grant	854,000
Municipal Building Authority Lease Revenue Bonds	2,555,000
Total funding Sources	9,909,000

During 1997 Beaver County issued General Obligation Bonds in the amounts of \$5,100,000 and \$1,400,000. In addition, the County also issued \$2,555,000 of Lease Revenue Bonds through Municipal Building Authority which will be funded by lease revenues obtained by the Building Authority. These bonds were all issued in connection with the construction of the new Public Safety Building.

During 2005 the County defeased the Lease Revenue Bonds through Zions Bank. The County advanced Zions Bank \$1,411,201 to defease the balance due on the Bonds of \$1,355,000. The gross savings on the debt service was \$403,220. The present value net loss was \$603.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The schedules of debt service payment required are as follows:

Series 1997A General Obligation Bond:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	22,000	28,500	50,500
2016	23,000	27,950	50,950
2017	23,000	27,375	50,375
2018	204,000	26,800	230,800
2019	209,000	21,700	230,700
2020-2023	<u>659,000</u>	<u>27,600</u>	<u>686,600</u>
Totals	<u><u>1,140,000</u></u>	<u><u>159,925</u></u>	<u><u>1,299,925</u></u>

2001 CIB Special Assessment Bonds Payable:

During 2001, the County created a special assessment district with Circle 4 Farms for the repayment of monies expended for a road project which benefited Circle 4 Farms. The terms of the agreement with the Community Impact Board require the County to make annual payments over 20 years with interest at 2.5%.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	42,000	7,800	49,800
2016	43,000	6,850	49,850
2017	44,000	5,775	49,775
2018	45,000	4,676	49,676
2019	46,000	3,550	49,550
2020-2021	<u>96,000</u>	<u>3,608</u>	<u>99,608</u>
Totals	<u><u>316,000</u></u>	<u><u>32,259</u></u>	<u><u>348,259</u></u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

2004 General Obligation Advance and Current Refunding:

Beaver County issued \$5,700,000 of General Obligation Refunding Bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$5,100,000 Series 1997B Criminal Justice General Obligation Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$600,000. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$205,558 and resulted in an economic gain of \$171,124. The bonds were paid off in their entirety on August 11, 2014.

Municipal Building Authority Lease Revenue Bonds:

During 2005, the Municipal Building Authority authorized the issuance of \$8,400,000 of Lease Revenue Bonds for the purpose of building an addition to the current corrections facility in Beaver, Utah. The MBA issued \$6,900,000 during the year. The bonds also require a reserve fund of \$510,255 paid in six (6) annual installments of approximately \$85,042.50 beginning December 1, 2007.

The Municipal Building Authority has entered into a lease agreement with Beaver County for yearly payments sufficient for the MBA to make the debt service payments. Beaver County will make the lease payments from charges for services to the State of Utah for housing State inmates in the correctional facility.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	284,000	225,715	509,715
2016	294,000	215,775	509,775
2017	304,000	205,485	509,485
2018	315,000	194,845	509,845
2019	326,000	183,280	509,280
2020-2024	1,808,000	739,865	2,547,865
2025-2029	2,149,000	400,365	2,549,365
2030	280,622	9,822	290,444
Totals	<u>5,760,622</u>	<u>2,175,152</u>	<u>7,935,774</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Excise Tax Road Bonds, Series 2008:

On July 1, 2008, the County authorized the issuance and sale of Excise Tax Road Bonds, Series 2008, in an aggregate principal amount of \$670,000. These funds will be used for the purpose of defraying a portion of the cost of financing the acquisition, renovation and/or construction of roads and related qualified improvements and paying the costs of issuing said Series 2008 Bonds. The bonds were issued at par bearing an interest rate of 3.50% per annum. They were purchased by the Community Impact Board.

The following is a summary of required debt service payments by the County:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	70,000	10,360	80,360
2016	73,000	7,910	80,910
2017	75,000	5,355	80,355
2018	78,000	2,730	80,730
	<u>296,000</u>	<u>26,355</u>	<u>322,355</u>
Totals			

Excise Tax Revenue Bonds, Series 2010:

On November 16, 2009, Beaver County issued Taxable Excise Tax Revenue Bonds, Series 2009 of \$900,000 with an annual interest rate of 0%. Bond proceeds are to be used to renovate the historic courthouse in Beaver, Utah. The Permanent Community Impact Board purchased the bonds. The bonds are to be paid back from Transient Room Tax over a 30 year period. Payments of \$30,000 per year will begin October 1, 2012 and continue on each October 1st of each of the years set forth in the following repayment schedule as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	30,000	-	30,000
2016	30,000	-	30,000
2017	30,000	-	30,000
2018	30,000	-	30,000
2019	30,000	-	30,000
2020-2024	150,000	-	150,000
2025-2029	150,000	-	150,000
2030-2034	150,000	-	150,000
2035-2039	142,206	-	142,206
	<u>742,206</u>	<u>-</u>	<u>742,206</u>
Totals			

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Bonds Payable for the Primary Government:

Description	Date of Issue	Interest Rate	Total Issued	Outstanding December 31, 2013	Issued	Matured	Outstanding December 31, 2014
Series 1997 A							
General Obligation Bonds	1997	2.50%	1,400,000	1,162,000	-	22,000	1,140,000
2001 CIB							
Special Assessment Bonds	2001	2.50%	775,000	357,000	-	41,000	316,000
2004 Refunding							
General Obligation Bonds	2004	2.5% - 4.4%	5,700,000	3,805,000	-	3,805,000	-
2005 MBA							
Lease Revenue Bonds	2005	3.50%	8,400,000	6,034,622	-	274,000	5,760,622
Series 2008							
Excise Tax Revenue Road Bonds	2008	3.50%	670,000	364,000	-	68,000	296,000
Series 2009							
Excise Tax Revenue Bonds	2009	0.00%	900,000	772,206	-	30,000	742,206
Total			17,845,000	12,494,828	-	4,240,000	8,254,828
Less Deferred Amounts:							
Discounts on Refunding			(662,525)	(294,464)	-	(294,464)	-
Premium on Refunding			62,525	27,792	-	27,792	-
Total Bonds			17,245,000	12,228,156	-	3,973,328	8,254,828

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of Bonds Payable to maturity for the Primary Government:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	448,000	272,375	720,375
2016	463,000	258,485	721,485
2017	476,000	243,968	719,968
2018	672,000	229,051	901,051
2019	611,000	208,530	819,530
2020-2024	2,713,000	771,073	3,484,073
2025-2029	2,299,000	400,365	2,699,365
2030-2034	430,622	9,822	440,444
2035-2039	142,206	-	142,206
Totals	<u>8,254,828</u>	<u>2,393,669</u>	<u>10,648,497</u>

Component Unit

Bonds Payable:

Milford Area Health Care Service District #3

Milford Area Health Care Service District #3 lease revenue bonds, payable in installments through January 2017. Annual principal and interest payments in varying amounts commenced in January 1992, bearing interest at 1.5 % to 3.5%. 384,000

General Obligation Bond Series 2007 due in annual principal and interest installments beginning October 1, 2010, bearing interest at 3.5%. 7,169,000

Total Bonds Payable - Milford Area Health Care Service District #3 7,553,000

Milford Area Health Care Service District #3 is primarily liable for repayment of the bond liability. Funds for said repayment will be made available through leasing the financed facilities to Milford Valley Memorial Hospital and/or discretionary allocation of the issuers tax levy revenues.

Changes in bonds payable for the component unit during 2014 was as follows:

	<u>Balance December 31, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance December 31, 2014</u>
Milford Area Health Care	<u>7,886,000</u>	<u>-</u>	<u>333,000</u>	<u>7,553,000</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of debt service for the component unit:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	198,000	256,675	454,675
2016	204,000	250,025	454,025
2017	211,000	243,165	454,165
2018	218,000	236,060	454,060
2019	225,000	228,710	453,710
2020-2024	1,242,000	1,024,235	2,266,235
2025-2029	1,463,000	798,940	2,261,940
2030-2034	1,723,000	532,415	2,255,415
2035-2039	2,035,000	202,120	2,237,120
2040-2042	34,000	900	34,900
Totals	<u>7,553,000</u>	<u>3,773,245</u>	<u>11,326,245</u>

NOTE 8 - BOND RESERVE FUNDS

MBA Lease Revenue Bonds

Beginning December 1, 2007, and on each December 1 thereafter until the reserve fund is fully funded there will be deposited into the reserve fund from base rentals received by the Municipal Building Authority the amount of \$510,255 in six (6) annual installments of approximately \$85,042.50. The balance in the reserve fund at year-end was \$510,255. Reserve is fully funded.

Excise Tax Road Bonds, Series 2008:

Sinking Fund:

A Sinking Fund is required for the Excise Tax Road Bonds. The amount required to be deposited is 1/12 of the yearly bond principle and interest payment. The balance of the Sinking Fund at December 31, 2014 is \$81,050.

Reserve Account:

The Bond Resolution establishes a Reserve Account which will be funded with revenues of the County over a six year period (72 months) until there is \$81,050 on deposit. This reserve requires a monthly deposit of \$1,125.69. Deposits began July 1, 2008. The balance of the Reserve Account at December 31, 2014 is \$81,050.

Excise Tax Revenue Bonds, Series 2009:

The Bond Resolution establishes a Series 2009 Reserve Account which will be funded up to \$30,000 over a 72 month period, with installments of \$417 per month. Installments to this reserve are to begin on the date of delivery of the bonds. The balance of the Series 2009 Reserve Account at year-end is \$25,854.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 8 - BOND RESERVE FUNDS (CONTINUED)

The following is a summary of changes in bond reserves:

	Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014
MBA Lease Revenue Bonds	510,255	-	-	510,255
Series 2008 Excise Tax Road:				
Sinking Fund	81,050	-	-	81,050
Bonds Reserve Account	67,540	13,510	-	81,050
Series 2009 Reserve Account	20,850	5,004	-	25,854
	<u>679,695</u>	<u>18,514</u>	<u>-</u>	<u>698,209</u>

NOTE 9 - MUNICIPAL BUILDING AUTHORITY FUND

On November 6, 1995, the County Commissioners organized the Municipal Building Authority to acquire, improve or extend one or more projects and to finance their costs on behalf of the public body that created it and to all other lawful things allowed by law for this type of corporation. The trustees of the Building Authority consists of three board members, who are the duly elected County Commissioners. The Building Authority is treated as a blended component unit for County reporting purposes.

NOTE 10 - CLASS B ROAD FUND - RESTRICTED FUND BALANCE

The following is a statement of changes in the Class B Road Fund restricted fund balance:

Balance - Beginning of Year	1,646,026
Revenues:	
State Allotments	1,183,689
Federal PILT	320,000
State Grants	48,259
Contributions from Private Sources	250,000
Reimbursements	<u>14,987</u>
Total Revenues	1,816,935
Expenditures	<u>(1,482,168)</u>
Balance - End of Year	<u>1,980,793</u>

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - DEBT SERVICE FUND

The following is a statement of changes in Debt Service Fund:

Balance - Beginning of Year		5,031,928
Revenues:		
District Court Leases	85,056	
State Prisoner Contracts	773,431	
Contributions From Private Sources	50,000	
Transfer from Other Funds	115,050	
Interest Earnings	<u>348</u>	
Total Revenues		1,023,885
Expenditures:		
Bond Interest Payments	(160,874)	
Bond Principal Payments	<u>(3,966,000)</u>	
Total Expenditures		<u>(4,126,874)</u>
Balance - End of Year		<u><u>1,928,939</u></u>

NOTE 12 - TRANSFERS

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	15,750	25,000
Class B Roads	-	85,050
Transient Room Tax	-	45,750
Capital Projects	25,000	-
Debt Service	<u>115,050</u>	<u>-</u>
	<u><u>155,800</u></u>	<u><u>155,800</u></u>

Transfers were made for the following purposes:

- * The Class B Road Funds transferred \$85,050 to the Debt Service Fund for debt service.
- * The Transient Room Tax Fund transferred \$15,750 to the General Fund for fair expenditures.
- * The Transient Room Tax Fund transferred \$30,000 to the Debt Service Fund for debt service.
- * The General Fund transferred \$25,000 to the Capital Projects Fund for future capital improvements.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - STATE OF UTAH RETIREMENT PLANS
Local Governmental - Cost Sharing

Plan Description:

Beaver County contributes to the Local Governmental Contributory Retirement System, Noncontributory Retirement System, Public Safety Other Division A Contributory Retirement System and Noncontributory Retirement System for employers with Social Security coverage both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement System (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments, death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-753-7361.

Funding Policy:

Beaver County is required to contribute a percent of covered salary to the respective systems:

<u>January 2014 to June 2014</u>	<u>Employer Contribution Rates</u>
Contributory System:	
Local Government Division Tier 2	15.11%
Noncontributory System:	
Local Government Division Tier 1	17.29%
Public Safety System:	
Other Division Contributory Tier 2	22.77%
Other Division A Noncontributory Tier 1	32.14%
<u>July 2014 to December 2014</u>	
Contributory System:	
Local Government Division	14.94%
Noncontributory System:	
Local Government Division	18.47%
Public Safety System:	
Other Division A Contributory	22.55%
Other Division A Noncontributory	32.14%
Other Division A Noncontributory	34.04%

The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - STATE OF UTAH RETIREMENT PLANS (CONTINUED)

Beaver County contributions to the various systems for the years ending December 31, 2014, 2013, and 2012 respectively were: for the Contributory System, \$23,713.85, \$15,165.22, and \$9,178.53; for the Noncontributory System, \$307,282.68, \$286,012.93, and \$260,559.49; for the Public Safety Other Division A Contributory, \$28,909.07, \$21,776.09, and \$10,874.83; and Public Safety Other Division A Noncontributory, \$678,733.58, \$625,689.88, 576,796.99, respectively. The contributions were equal to required contributions for each year.

Beaver County's contributions to the Defined Contribution 401(K) plan for the years ending December 31, 2014, 2013, and 2012 respectively were; \$175,403.51, \$186,518.46 and \$187,970.21. The contributions were equal to the required contributions for each year.

NOTE 14 - CONTINGENT ASSET

Beaver County is a member of the Utah Counties Indemnity Pool (UCIP). If the UCIP was dissolved by a majority of the entire membership in favor of dissolution, the assets of the Pool not used or needed for the purposes of the Pool, including its contractual obligations, would be distributed as determined by the board. This distribution would only be to Utah counties who are members of the Pool at the time of dissolution. If a County was to withdraw before this time, they would not be entitled to any distribution of funds.

NOTE 15 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Association of Counties Insurance Mutual, a self-funded risk financing pool administered by the Utah Association of Counties. Through the Mutual, the County maintains general liability, errors and omissions, flood, earthquake, newly acquired property, builders risk, unscheduled location, and crime.

The Mutual does not provide coverage for all risks and hazards, however, the County has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

Claims have not exceeded coverage in any of the last three calendar years.

NOTE 16 - ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 17 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS

Beaver County has two component units which are described below:

Governmental Fund Types:

Milford Area Health Care Service District #3:

The District provides hospital services to the territory which includes the municipalities of Milford City and Minersville Town.

Proprietary Fund Type:

Waste Management Service District #5

The District provides solid waste sanitation disposal services contracted with the District and billed monthly to the communities within the District on a per-resident basis.

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 17 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS

Condensed Financial Statements for the year ended December 31, 2014, is as follows:

Condensed Statement of Net Position:

	Milford Area Health Care Service District #3	Waste Management Service District #5	Total
Current Assets	1,604,138	755,457	2,359,595
Noncurrent Assets:			
Restricted Cash	6,726	749,469	756,195
Capital Assets (Net)	8,651,465	351,389	9,002,854
Total Assets	10,262,329	1,856,315	12,118,644
Liabilities:			
Current Liabilities	263,129	42,831	305,960
Noncurrent Liabilities:			
Post Closure Payable	-	548,107	548,107
Long-Term Debt	7,355,000	-	7,355,000
Total Liabilities	7,618,129	590,938	8,209,067
Deferred Inflows of Resources:			
Unavailable Revenue - Property Taxes	637,935	-	637,935
Net Position:			
Capital Assets - Net of Related Debt	1,098,465	351,389	1,449,854
Restricted	6,726	749,469	756,195
Unrestricted	901,074	164,519	1,065,593
Net Position	2,006,265	1,265,377	3,271,642
Total Liabilities and Net Position	10,262,329	1,856,315	12,118,644

BEAVER COUNTY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 17 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNITS
Condensed Statement of Revenues, Expenses and Changes in Net Position:

Governmental Activities:

	Milford Area Health Care Service District #3
	<u> </u>
Revenues	886,730
Current Expenses	<u>(660,519)</u>
Change in Net Position	226,211
Net Position - Beginning	<u>1,780,054</u>
Net Position - Ending	<u><u>2,006,265</u></u>

Business Type Activities:

	Waste Management Service District #5
	<u> </u>
Operating Revenue	555,537
Operating Expenses:	
Depreciation	(51,719)
Other	<u>(595,147)</u>
Operating Income (Loss)	<u>(91,329)</u>
Non-Operating Revenues:	
Operating Grants and Intergovernmental	95,713
Interest Income	<u>4,756</u>
Total Non-Operating Revenues	<u>100,469</u>
Change in Net Position	9,140
Net Position - Beginning	<u>1,256,237</u>
Net Position - Ending	<u><u>1,265,377</u></u>

Condensed Statement of Cash Flows:

	Waste Management Service District #5
	<u> </u>
Cash Flows From Operating Activities	661
Cash Flows from Capital and Related Financing Activities	75,642
Cash Flows from Investing Activities	<u>4,756</u>
Net Changes in Cash and Investments	81,059
Cash and Investments - Beginning of Year	<u>1,335,976</u>
Cash and Investments - End of Year	<u><u>1,417,035</u></u>

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

BEAVER COUNTY
CONDITION RATING OF THE COUNTY'S ROAD SYSTEM
For The Year Ended December 31, 2014

Percentage of Lane-Miles in Good or Better Condition:

	2014	2013	2012	2011	2010
Paved	65	75	74	70	60
Gravel	76	76	76	75	69
Dirt	65	65	68	65	65
Overall System	69	72	73	70	65

Percentage of Lane-Miles in Substandard Condition:

	2014	2013	2012	2011	2010
Paved	25	15	11	12	15
Gravel	9	9	9	10	12
Dirt	14	14	13	14	13
Overall System	15	13	11	12	13

Comparison of Needed-to-Actual Maintenance/Preservation:

	2014	2013	2012	2011	2010
Paved:					
Needed	1,700,000	1,300,000	1,300,000	1,200,000	1,700,000
Actual	713,000	1,200,000	1,200,000	1,025,000	1,200,000
Gravel:					
Needed	375,000	125,000	500,000	225,000	500,000
Actual	360,000	115,000	325,000	150,000	225,000
Dirt:					
Needed	150,000	150,000	200,000	75,000	800,000
Actual	127,000	75,000	150,000	75,000	250,000

The condition of road pavement is measured using the American... (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule presents the information for the last five years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years.

The condition of the County's bridges is determined using its Bridge Management and Inspection Program (BMIP). The bridge condition rating which is a weighted average of an assessment of the ability of individual components to function structurally, uses a numerical condition scale ranging from 1.0 (impaired or load restricted) to 7.0 (New). It is the County's policy to keep the number and square footage of deck area of bridges with a condition rating of 1.0 to 1.9 below 1 percent. All bridges are inspected every two years.

BEAVER COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended December 31, 2014

Budgetary Comparison Schedules:

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presented in this section of the report are for the County's General Fund and Class B Road Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund and Class B Road Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the County Commission prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Commission through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Budgetary Compliance:

For the year ended December 31, 2014, spending for all funds and departments of the County were within the approved budgets.

BEAVER COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance With Final Budget</u>
Revenues:				
Taxes:				
General Property Taxes	1,261,000	1,261,000	1,456,464	195,464
Delinquent Prior Years Taxes	180,268	180,268	180,795	527
General Sales and Use Taxes	425,000	425,000	462,480	37,480
Assessing and Collecting - State	190,000	190,000	33,317	(156,683)
Assessing and Collecting - Local	547,655	547,655	586,543	38,888
Fee-In-Lieu	55,000	55,000	51,922	(3,078)
Penalties and Interest	177,052	177,052	181,041	3,989
Total Taxes	<u>2,835,975</u>	<u>2,835,975</u>	<u>2,952,562</u>	<u>116,587</u>
Licenses and Permits:				
Building Permits	80,000	80,000	117,977	37,977
Non-Business Licenses and Permits	40,000	40,000	41,917	1,917
Total Licenses and Permits	<u>120,000</u>	<u>120,000</u>	<u>159,894</u>	<u>39,894</u>
Intergovernmental Revenue:				
Council On Aging	110,000	110,000	163,004	53,004
Payment-In-Lieu of Taxes	680,000	680,000	641,388	(38,612)
Mineral Lease	72,000	72,000	126,690	54,690
State Grants	50,000	50,000	56,831	6,831
State Liquor Law	15,000	15,000	18,598	3,598
State Payments in Lieu	4,800	4,800	4,760	(40)
Economic Development Contribution	-	-	90,000	90,000
Total Intergovernmental Revenue	<u>931,800</u>	<u>931,800</u>	<u>1,101,271</u>	<u>169,471</u>
Charges for Services:				
Clerk's Fees	7,000	7,000	12,490	5,490
Recorder's Fees	50,000	50,000	39,593	(10,407)
Treasurer's Fees	1,500	1,500	925	(575)
District Court Contract	24,800	24,800	24,808	8
Sheriff Fees	40,000	40,000	19,693	(20,307)
Police Service Contract	375,000	375,000	531,312	156,312
State Prisoner Contract	5,535,000	5,535,000	5,524,116	(10,884)
Animal Control Contract	45,000	45,000	14,846	(30,154)
Inmate Medical Reimbursements	5,000	5,000	9,578	4,578
Inmate Service Revenue	425,000	425,000	319,054	(105,946)
County Fair Revenue	20,000	20,000	18,160	(1,840)
Minersville Lake Fees	30,000	30,000	34,381	4,381
Other	3,000	3,000	2,464	(536)
Total Charges for Services	<u>6,561,300</u>	<u>6,561,300</u>	<u>6,551,420</u>	<u>(9,880)</u>

(Continued)

BEAVER COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	Budgetary Basis	Final Budget
Revenues (Continued):				
Fines and Forfeitures:				
Justice Court Fines	643,063	643,063	674,102	31,039
Miscellaneous Revenue:				
Interest	40,000	40,000	30,970	(9,030)
Sale of Fixed Assets	-	-	32,033	32,033
Sundry Revenues	60,000	60,000	254,756	194,756
Total Miscellaneous Revenue	100,000	100,000	317,759	217,759
Contributions and Transfers:				
Transfers from Other Funds	15,750	15,750	15,750	-
Total Revenues	11,207,888	11,207,888	11,772,758	564,870
Expenditures:				
General Government:				
Commission	255,900	255,900	229,025	26,875
District Court	66,000	66,000	66,000	-
Justice Court - Beaver	221,200	221,200	216,827	4,373
Justice Court - Minersville	23,944	23,944	18,389	5,555
Information Technology	159,200	159,200	140,168	19,032
Clerk-Auditor	219,800	219,800	206,947	12,853
Treasurer	120,427	120,427	110,692	9,735
Recorder	161,900	161,900	148,556	13,344
Attorney	341,458	341,458	336,670	4,788
Assessor	151,800	151,800	146,263	5,537
Milford Administrative Office	74,573	74,573	70,441	4,132
Non-Departmental	220,700	220,700	220,689	11
Courthouse and Grounds	86,518	86,518	78,582	7,936
Elections	50,800	50,800	50,792	8
Total General Government	2,154,220	2,154,220	2,040,041	114,179

(Continued)

BEAVER COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
Expenditures (Continued):				
Public Safety:				
Sheriff	1,838,500	1,838,500	1,814,760	23,740
Crime Control and Investigations	200	200	193	7
Fire Warden	62,000	62,000	52,202	9,798
Corrections	5,827,955	5,827,955	5,715,009	112,946
Building, Zoning, Economic Development	165,900	165,900	131,739	34,161
Animal Control	90,400	90,400	83,860	6,540
Civil Defense	96,100	96,100	92,186	3,914
Emergency Medical Services	3,000	3,000	2,211	789
Victim Advocate	35,452	35,452	32,040	3,412
Total Public Safety	<u>8,119,507</u>	<u>8,119,507</u>	<u>7,924,200</u>	<u>195,307</u>
Health and Public Welfare:				
Welfare and Indigent Care	4,000	4,000	1,467	2,533
Council On Aging	333,000	333,000	328,431	4,569
Total Health and Public Welfare	<u>337,000</u>	<u>337,000</u>	<u>329,898</u>	<u>7,102</u>
Culture, Recreation and Public Property:				
Recreation and Television	45,600	45,600	45,531	69
County Fair	185,400	185,400	170,480	14,920
Total Culture, Recreation, and Public Property	<u>231,000</u>	<u>231,000</u>	<u>216,011</u>	<u>14,989</u>
Conservation and Economic Development:				
Agriculture and Extension Services	81,679	81,679	81,116	563
Economic Development	6,300	6,300	6,215	85
Contributions to Other Government Units	223,182	223,182	211,481	11,701
Miscellaneous Expense	55,000	55,000	54,986	14
Total Conservation and Economic Development	<u>366,161</u>	<u>366,161</u>	<u>353,798</u>	<u>12,363</u>
Total Expenditures	<u>11,207,888</u>	<u>11,207,888</u>	<u>10,863,948</u>	<u>343,940</u>
Excess Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	908,810	<u>908,810</u>
Fund Balance - Beginning			<u>2,734,555</u>	
Fund Balance - Ending			<u>3,643,365</u>	

BEAVER COUNTY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CLASS B ROAD FUND
For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	
Revenues:				
Intergovernmental	1,235,000	1,235,000	1,183,689	(51,311)
State PILT	320,000	320,000	320,000	-
State Grants	77,000	77,000	48,259	(28,741)
Contributions from Private Source	250,000	250,000	250,000	-
Sundry	-	-	14,987	14,987
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,882,000</u>	<u>1,882,000</u>	<u>1,816,935</u>	<u>(65,065)</u>
Expenditures:				
County Roads	1,490,375	1,480,375	1,357,126	123,249
Capital Outlay	30,000	40,000	39,992	8
Contributions to Other funds	81,050	81,050	85,050	(4,000)
Budgeted Increase in Fund Balance	280,575	280,575	-	280,575
	<u>280,575</u>	<u>280,575</u>	<u>-</u>	<u>280,575</u>
Total Expenditures	<u>1,882,000</u>	<u>1,882,000</u>	<u>1,482,168</u>	<u>399,832</u>
Excess Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	334,767	<u>334,767</u>
Fund Balance - Beginning			<u>1,646,026</u>	
Fund Balance - Ending			<u>1,980,793</u>	

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is used to assist in formatting for easier reading)

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

BEAVER COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL FIDUCIARY FUNDS
For The Year Ended December 31, 2014

	Balance December 31, 2013	Additions	Deletions	Balance December 31, 2014
PROPERTY TAX FUND				
ASSETS				
Cash	1,174,475	13,443,958	13,859,269	759,164
Taxes Receivable	43,580	-	43,580	-
TOTAL ASSETS	<u>1,218,055</u>	<u>13,443,958</u>	<u>13,902,849</u>	<u>759,164</u>
LIABILITIES				
Due to Taxing Units	1,214,025	13,398,000	13,857,132	754,893
Collections Payable	4,030	48,811	48,570	4,271
TOTAL LIABILITIES	<u>1,218,055</u>	<u>13,446,811</u>	<u>13,905,702</u>	<u>759,164</u>
CLERK'S COURT TRUST FUND				
ASSETS				
Cash	41,017	233,274	239,575	34,716
LIABILITIES				
Collections Payable	41,017	233,274	239,575	34,716
JUSTICE COURT TRUST FUND				
ASSETS				
Cash	44,618	994,575	980,928	58,265
LIABILITIES				
Collections Payable	44,618	994,575	980,928	58,265
PAYROLL TRUST				
ASSETS				
Cash	-	169,296	-	169,296
LIABILITIES				
Collections Payable	-	169,296	-	169,296
TOTALS - ALL FIDUCIARY FUNDS				
ASSETS				
Cash	1,260,110	14,841,103	15,079,772	1,021,441
Taxes Receivable	43,580	-	43,580	-
TOTAL ASSETS	<u>1,303,690</u>	<u>14,841,103</u>	<u>15,123,352</u>	<u>1,021,441</u>
LIABILITIES				
Due to Taxing Units	1,214,025	13,398,000	13,857,132	754,893
Collections Payable	89,665	1,445,956	1,269,073	266,548
TOTAL LIABILITIES	<u>1,303,690</u>	<u>14,843,956</u>	<u>15,126,205</u>	<u>1,021,441</u>

**BEAVER COUNTY
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2014**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Restaurant Tax Fund:

This fund collects restaurant tax monies to fund economic development to the County.

Tushar Lakeside Campground Fund:

This fund accounts for the collection of fees on the campground and the payments for upkeep of the property.

Transient Room Tax Fund:

This fund is used to account for room taxes collected within the County to fund the economic development activities of the County.

Library Fund:

This fund accounts for the activities of the bookmobile and libraries in the County.

Public Health Fund:

This fund is used to account for taxes collected for the purpose of funding public health services in the County.

E-911 Fund:

This fund is used to account for monies collected on telephone bills for providing 911 emergency services in the County.

Municipal Building Authority Fund:

This fund accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Capital Projects Fund:

This fund accounts for funds to be used for planned capital projects.

BEAVER COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Municipal Building Authority	Capital Projects	Total Nonmajor Governmental Funds
ASSETS									
Cash and Investments	241,673	18,230	235,434	138,229	55,345	67,807	766,249	25,000	1,547,967
Due from Other Government Units	5,706	-	8,643	-	-	3,991	-	-	18,340
TOTAL ASSETS	247,379	18,230	244,077	138,229	55,345	71,798	766,249	25,000	1,566,307
LIABILITIES AND FUND EQUITY									
Liabilities	-	-	-	-	-	-	-	-	-
Fund Balances:									
Restricted For:									
Economic Development	247,379	-	244,077	-	-	-	-	-	491,456
Culture and Recreation	-	-	-	138,229	-	-	-	-	138,229
Public Safety	-	-	-	-	-	71,798	-	-	71,798
Debt Service	-	-	-	-	-	-	510,255	-	510,255
Committed For:									
Public Health	-	-	-	-	55,345	-	-	-	55,345
Public Safety	-	-	-	-	-	-	255,994	-	255,994
Capital Outlay	-	-	-	-	-	-	-	25,000	25,000
Economic Development	-	18,230	-	-	-	-	-	-	18,230
Total Fund Balances	247,379	18,230	244,077	138,229	55,345	71,798	766,249	25,000	1,566,307
TOTAL LIABILITIES AND FUND BALANCES	247,379	18,230	244,077	138,229	55,345	71,798	766,249	25,000	1,566,307

BEAVER COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year ended December 31, 2014

	Restaurant Tax	Tushar Camp Ground	Transient Room Tax	Library	Public Health	E-911	Municipal Building Authority	Capital Projects	Total Nonmajor Gov't Funds
Revenues:									
Taxes	38,325	-	216,503	124,737	76,542	45,554	-	-	501,661
Miscellaneous	-	17,101	4,743	-	-	-	594,355	-	616,199
Total Revenues	38,325	17,101	221,246	124,737	76,542	45,554	594,355	-	1,117,860
Expenditures:									
Current:									
Public Safety	-	-	-	-	-	47,953	-	-	47,953
Public Health	-	-	-	-	79,180	-	-	-	79,180
Culture and Recreation	-	-	-	89,587	-	-	-	-	89,587
County Promotion	63,827	6,023	151,151	-	-	-	-	-	221,001
Debt Service:									
Principal	-	-	-	-	-	-	274,000	-	274,000
Interest	-	-	-	-	-	-	211,212	-	211,212
Total Expenditures	63,827	6,023	151,151	89,587	79,180	47,953	485,212	-	922,933
Net Change in Fund Balance	(25,502)	11,078	70,095	35,150	(2,638)	(2,399)	109,143	-	194,927
Other Financing Sources:									
Transfers In (Out)	-	-	(45,750)	-	-	-	-	25,000	(20,750)
Fund Balances - Beginning	272,881	7,152	219,732	103,079	57,983	74,197	657,106	-	1,392,130
Fund Balances - Ending	247,379	18,230	244,077	138,229	55,345	71,798	766,249	25,000	1,566,307

**BEAVER COUNTY
TREASURER'S TAX COLLECTION AGENCY FUND
BALANCE SHEET
December 31, 2014**

ASSETS:

Cash Investment	708,600
Car and Bus Receivable	26,069
Railcar Receivable	<u>21,528</u>
 TOTAL ASSETS	 <u><u>756,197</u></u>

LIABILITIES:

Collections Payable	4,271
Due to Taxing Units	<u>751,926</u>
 TOTAL LIABILITIES	 <u><u>756,197</u></u>

**BEAVER COUNTY
COUNTY TREASURER
CURRENT YEAR TAXABLE VALUES
December 31, 2014**

TAXING UNITS

County Funds:

	Real and Centrally Assessed Values	Total Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
General	1,120,132,205	.001228	1,375,522	63,992,359	.001241	79,415	1,454,937
Tax Collection - State 82%	1,120,132,205	.000011	12,321	63,992,359	.000011	704	13,025
Tax Collection - State 18%	1,120,132,205	.000002	2,240	63,992,359	.000002	128	2,368
Tax Collection - County	1,120,132,205	.000448	501,819	63,992,359	.000452	28,925	530,744
Library	1,120,132,205	.000089	99,692	63,992,359	.000090	5,759	105,451
Public Health	1,120,132,205	.000054	60,487	63,992,359	.000054	3,456	63,943
Total County Funds			2,052,082			118,386	2,170,468
Beaver County School District	1,120,132,205	.004935	5,527,852	63,992,359	.005100	326,361	5,854,213
Beaver School Levy	1,120,132,205	.001419	1,589,468	63,992,359	.001535	98,228	1,687,696
Total School District			7,117,320			424,589	7,541,909
Cities and Towns:							
Beaver	137,229,240	.000735	100,863	14,576,428	.000744	10,845	111,708
Milford	56,692,505	.002206	125,064	7,139,829	.002185	15,601	140,664
Minersville	52,378,465	.001332	69,768	210,595	.001294	273	70,041
Total Cities and Towns			295,695			26,718	322,413
Other:							
Fire District #1	396,487,495	.000393	155,820	17,086,075	.000400	6,834	162,654
Fire District #2	691,077,640	.000391	270,211	46,138,284	.000386	17,809	288,021
Service District #3	691,077,640	.000992	685,549	46,138,284	.000984	45,400	730,949
Elk Meadows District	32,567,070	.000567	18,466	768,000	.000588	452	18,917
Total Other			1,130,045			70,495	1,200,541
GRAND TOTALS			10,595,143			640,189	11,235,332

**BEAVER COUNTY
COUNTY TREASURER
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED
CURRENT AND PRIOR YEARS
December 31, 2014**

TAXING UNITS	Current Years Taxes			
	Taxes Charged	Treasurer's Relief		
		Unpaid Taxes	Abatements	Other
County Funds:				
General	1,454,937	28,462	3,863	(1,190)
Multi-County Assess (Co Share):	-	-	-	-
Tax Collection - State 82%	13,025	255	35	(24)
Tax Collection - State 18%	2,368	46	6	(1)
Tax Collection - County	530,744	10,383	1,409	10,887
Library	105,451	2,063	280	(87)
Public Health	63,943	1,252	170	(44)
Total County Funds	2,170,468	42,461	5,763	9,541
Beaver County School District	5,854,213	114,381	15,525	(6,365)
Beaver School Levy	1,687,696	32,889	4,464	(2,793)
Total School District	7,541,909	147,270	19,989	(9,158)
Towns:				
Beaver City	111,708	5,350	1,014	(113)
Milford	140,664	7,417	544	(9)
Minersville	70,041	2,402	99	(33)
Total Towns	322,413	15,169	1,657	(155)
Other:				
Fire District #1	162,654	4,750	806	(423)
Fire District #2	288,021	2,822	427	217
Service District #3	730,949	7,159	1,083	484
Elk Meadows District	18,917	2,197	2	(63)
Total Other	1,200,541	16,928	2,318	215
GRAND TOTALS	11,235,331	221,828	29,727	443

Current Years Taxes			Other Collections			
Total Treasurer's Relief	Taxes Collected	Collection Rate	Fee In Lieu	Miscellaneous Collections	Delinquencies	
					Tax	Interest and Penalty
31,135	1,423,802	97.86%	54,175	14,432	196,142	181,583
-	-	-	-	-	13,013	991
266	12,759	97.96%	480	1,510	509	50
51	2,317	97.85%	87	332	144	9
22,679	508,065	95.73%	19,732	3,573	56,441	2,306
2,256	103,195	97.86%	3,929	1,045	15,724	842
1,378	62,565	97.84%	2,357	628	10,634	358
57,765	2,112,703	97.34%	80,760	21,520	292,607	186,139
123,541	5,730,672	97.89%	222,637	59,350	821,841	55,770
34,560	1,653,136	97.95%	67,009	17,957	236,323	17,091
158,101	7,383,808	97.90%	289,646	77,307	1,058,164	72,861
6,251	105,457	94.40%	14,292	1,169	6,466	231
7,952	132,712	94.35%	17,248	2,113	8,857	342
2,468	67,573	96.48%	6,126	782	2,878	137
16,671	305,742	94.83%	37,666	4,064	18,201	710
5,133	157,521	96.84%	11,407	1,368	5,319	202
3,466	284,555	98.80%	5,823	3,037	53,108	4,191
8,726	722,223	98.81%	14,844	7,796	127,604	10,806
2,136	16,781	88.71%	31	23,524	5,900	62
19,461	1,181,080	98.38%	32,105	35,725	191,931	15,261
251,998	10,983,333	97.76%	440,177	138,616	1,560,903	274,971

BEAVER COUNTY
TAX COLLECTION AGENCY FUND
CASH RECEIPTS AND DISBURSEMENTS
For The Year Ended December 31, 2014

	Treasurer's Balance December 31, 2013	Tax Collection Receipts	Current Taxes Apportioned
Tax Collection Accounts:			
Current Years Taxes	-	10,983,333	(10,980,480)
Fee In Lieu	-	440,177	-
Delinquent Taxes	-	1,835,874	-
Miscellaneous	-	138,616	-
Prepayments	2,853	3,571	(2,853)
Cash in Imprest Fund	200	-	-
Back Check Fee	-	150	-
May Tax Sale Fee	-	35,236	-
Refunds, Rebates	977	9,854	-
	<u>4,030</u>	<u>13,446,811</u>	<u>(10,983,333)</u>
Total Collections	<u>4,030</u>	<u>13,446,811</u>	<u>(10,983,333)</u>
Taxing Units:			
County General Fund	-	-	1,423,802
Multi-County Assess (Co Share)	-	-	-
Assessing and Collecting - State 82%	-	-	12,759
Assessing and Collecting - State 18%	-	-	2,317
Assessing and Collecting - County	-	-	508,065
County Library Fund	-	-	103,195
County Public Health	-	-	62,565
 Beaver School District	 995,882	 -	 7,383,808
 Cities and Towns:			
Beaver City	17,884	-	105,457
Milford	34,921	-	132,712
Minersville	4,439	-	67,573
 Other Districts:			
Fire District #1	16,268	-	157,521
Fire District #2	39,263	-	284,555
Service District #3	99,982	-	722,223
Elk Meadows SSD	5,386	-	16,781
	<u>1,214,025</u>	<u>-</u>	<u>10,983,333</u>
Total Due Taxing Units	<u>1,214,025</u>	<u>-</u>	<u>10,983,333</u>
 GRAND TOTALS	 <u>1,218,055</u>	 <u>13,446,811</u>	 <u>-</u>

<u>Fee-In-Lieu Apportioned</u>	<u>Delinquent Taxes Apportioned</u>	<u>Rolling Stock Car and Bus And Interest</u>	<u>Total</u>	<u>Disbursements</u>	<u>Treasurer's Balance December 31, 2014</u>
-	-	-	-	-	-
(440,177)	-	-	-	-	-
-	(1,835,874)	-	-	-	-
-	-	(138,616)	-	-	-
-	-	-	3,571	-	3,571
-	-	-	200	-	200
-	-	-	150	150	-
-	-	-	35,236	35,236	-
-	-	-	10,831	10,331	500
<u>(440,177)</u>	<u>(1,835,874)</u>	<u>(138,616)</u>	<u>49,988</u>	<u>45,717</u>	<u>4,271</u>
54,175	377,725	14,432	1,870,134	1,870,134	-
-	14,004	-	14,004	14,004	-
480	559	1,510	15,308	12,489	2,819
87	153	332	2,889	2,741	148
19,732	58,747	3,573	590,117	590,117	-
3,929	16,566	1,045	124,735	124,735	-
2,357	10,992	628	76,542	76,542	-
289,646	1,131,025	77,307	9,877,668	9,248,014	629,654
14,292	6,697	1,169	145,499	126,345	19,154
17,248	9,199	2,113	196,193	179,888	16,305
6,126	3,015	782	81,935	76,945	4,990
11,407	5,521	1,368	192,085	174,055	18,030
5,823	57,299	3,037	389,977	373,706	16,271
14,844	138,410	7,796	983,255	941,874	41,381
31	5,962	23,524	51,684	45,543	6,141
<u>440,177</u>	<u>1,835,874</u>	<u>138,616</u>	<u>14,612,025</u>	<u>13,857,132</u>	<u>754,893</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,662,013</u>	<u>13,902,849</u>	<u>759,164</u>

(This page contains no information and
is used to assist in formatting for easier reading)

COMPLIANCE SECTION

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities, each major fund and the aggregate remaining fund information of Beaver County, a governmental fund, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Beaver County's financial statements, and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beaver County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beaver County's internal control. Accordingly, we do not express an opinion on the effectiveness of Beaver County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Findings and Recommendations as item 2014-1 to be a material weakness in internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, other material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaver County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Beaver County in the accompanying *Independent Auditor's Report in Accordance with the State Compliance Audit Guide on Compliance with General State Compliance Requirements; Compliance for Each Major State Program; Internal Control Over Compliance; and Schedule of Expenditures of State Awards*.

Management's Response to Findings

Beaver County's response to the finding identified in our audit is described in the accompanying Findings and Recommendations. We did not audit the County's response and, accordingly, we express no opinion on it.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing or internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

June 26, 2015
Richfield, Utah

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE STATE COMPLIANCE
AUDIT GUIDE ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS:
COMPLIANCE FOR EACH MAJOR STATE PROGRAM: INTERNAL CONTROL OVER COMPLIANCE:
AND SCHEDULE OF EXPENDITURES OF STATE AWARDS

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Beaver County's compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the County or each of its major state programs for the year ended December 31, 2014.

General state compliance requirements were tested for the year ended December 31, 2014 in the following areas:

Budgetary Compliance	Cash Management
Fund Balance	Government Records Access Management Act
Justice Courts	Nepotism
Transient Room Tax and Tourism, Recreation,	Conflicts of Interest
Culture, Convention, and Airport Facilities Tax	Open and Public Meetings Act
Utah Retirement Systems	Utah Public Finance Website
Statement of Taxes Charged, Collected	Budget Notice and Format
and Disbursed	

The County received State funding from the following program classified as a major program for the year ended December 31, 2014.

B & C Road Fund (Department of Transportation)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the and *State Compliance Audit Guide*.

Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the County occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Beaver County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County or on its major state program for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the *State Compliance Audit Guide* and which are described below. Our opinion on compliance is not modified with respect to this matter.

The County's response to the noncompliance findings identified in our audit is described below. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Finding: State Compliance – Budgetary Compliance

We noted that the appropriate financial reports are not prepared quarterly as required and reviewed by the governing body of the County.

Recommendation:

We recommend that the appropriate financial reports are prepared quarterly and reviewed by the governing body of the County.

County's Response:

The appropriate financial reports will be prepared quarterly and reviewed by the governing body of the County.

Finding: State Compliance – Conflicts of Interest

The County does not have a policy and procedures to disclose conflicts of interest that have been effectively communicated to public officers and employees.

Recommendation:

We recommend that the County adopt a policy and procedures for conflicts of interest that meet State requirements and communicate this policy and procedures to public officials and employees.

County's Response:

The County will adopt a conflicts of interest policy and procedures that meet State requirements. The County will also communicate this policy and procedure with public officials and employees.

Finding: State Compliance – Utah Public Finance Website

We noted that although the employee compensation summary information was posted as required, the detail revenue and expense information was not posted to the website.

Recommendation:

We recommend that the County post the detail revenue and expense information quarterly, and within one month of the end of each quarter.

County's Response:

The County will post the detail revenue and expense information quarterly, and within one month of the end of each quarter.

Finding: State Compliance – Open and Public Meetings

We noted that the County had posted the minutes of meetings to the County website but not to the Utah Public Notice Website.

Recommendation:

We recommend that the County post the minutes of meetings to the Utah Public Notice Website within three days after being approved.

County's Response:

The County will post the minutes of meetings to the Utah Public Notice Website within three days after being approved.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the compliance requirements that could have a direct and material effect on the County or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance*, is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 26, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of State Awards is fairly stated in all material respects in relation to the financial statements as a whole.


KIMBALL & ROBERTS, P. C.
Certified Public Accountants

June 26, 2015
Richfield, Utah

BEAVER COUNTY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For The Year Ended December 31, 2014

<u>Grant Name</u>	<u>Award/ Contract #</u>	<u>Year of Last Audit</u>	<u>Expenditures</u>
<u>Department of Transportation</u>			
Class B Road Fund	N/A	* 2014	<u>1,397,118</u>
Total Department of Transportation			<u>1,397,118</u>
<u>Department of Agriculture</u>			
GIS Grant	N/A	N/A	<u>10,000</u>
Total Department of Agriculture			<u>10,000</u>
<u>Department of Public Safety</u>			
DUI Grant	N/A	N/A	<u>6,494</u>
Total Department of Public Safety			<u>6,494</u>
<u>Governor's Office</u>			
VOCA Grant	N/A	N/A	<u>15,572</u>
Total Governor's Office			<u>15,572</u>
TOTAL STATE GRANTS, CONTRACTS, AND LOAN FUND EXPENDITURES			<u><u>1,429,184</u></u>

* Tested as a major program.

BEAVER COUNTY
SCHEDULE OF TRANSIENT ROOM, TOURISM, RECREATION, CULTURE,
CONVENTION, AND AIRPORT FACILITIES TAX EXPENDITURES
For The Year Ended December 31, 2014

Transient Room Tax:

Establish and Promoting:	
Recreation	19,700
Tourism	90,627
Film Production	-
Conventions	-
Acquiring, Leasing, Construction, Furnishing or Operating:	
Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	10,275
Museums	31,000
Related Facilities	-
Acquiring or Leasing Land Required For or Related To:	
Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	-
Museums	-
Related Facilities	-
Mitigation Costs:	
Search and Rescue Activities	-
	<hr/>
Total Expenditures	<u><u>151,602</u></u>

Tourism, Recreation, Culture, Convention, and Airport Facilities Taxes:

Financing Tourism Promotion	-
Development, Operation and Maintenance of:	
Tourist Facilities	-
Recreation Facilities	69,807
Culture Facilities	-
Airport Facilities	-
Pledges as Security for Evidence of Indebtedness	-
Reserves and Pledges:	
Reserves on Bonds Related to TRT Funds	-
Pledges as Security for Evidences of Indebtedness Related to TRCC	-
	<hr/>
Total Expenditures	<u><u>69,807</u></u>

Kimball & Roberts

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Richfield, Utah 84701

FINDINGS AND RECOMMENDATIONS

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

During our audit of the financial statements of Beaver County for the year ended December 31, 2014, we found a circumstance that, if improved, would strengthen the County's accounting system and control over its assets. This item is discussed below for your consideration:

Material Weakness Finding and Recommendation:

2014-1 Bank Reconciliations:

Condition:

During the audit we found that the bank reconciliations were not being reconciled timely. We noted that June 2014 through December 2014 were not reconciled until January 2015.

Criteria:

Controls should be established to ensure that bank reconciliations are being prepared on a monthly basis.

Effect:

Failure to reconcile the bank statements monthly could result in not identifying problems with receipts and disbursements and maintaining a proper cash balance available as funds are needed. Possible overdrafts of the bank account could also occur.

Recommendation:

We recommend that the County reconcile its bank statements on a monthly basis.

Beaver County's Response:

Beaver County concurs with the recommendation and plans to reconcile its bank statements on a monthly basis.

The Honorable Board of County Commissioners
Beaver County
Beaver, Utah 84713

This report is intended solely for the information and use of management, County Commission and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

We thank you for the opportunity to perform the audit of the County this past fiscal year. We would like to express a special thanks to those who have given us assistance in this year's audit. If you have any questions throughout the year that we may help with, please give us a call. We look forward to a continued professional relationship with the County.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kimball & Roberts". The signature is written in dark ink and is positioned above the printed name of the firm.

KIMBALL & ROBERTS, P. C.
Certified Public Accountants

June 26, 2015
Richfield, Utah

